



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

March 6, 2006

Important Changes in Covenants Affecting Sales of Affordable Dwelling Units (ADUs) Effective 2/28/2006

As a participant in our First-Time Homebuyers Program, we would like to make you aware of some important changes in the Fairfax County Zoning Ordinance. Effective February 28, 2006 section 2-812 of the Ordinance which governs the sale of affordable dwelling units was amended. Under former ADU Program provisions, for-sale developments were subject to a 15 year term of control and resale units purchased after 3/31/1998 were also subject to a 15 year term of control. Based upon the recommendation of the Chairman of the Board of Supervisors Preservation Action Committee, the **term was increased effective February 28, 2006 to 30 years with a renewable 30 year term for for-sale units upon any resale that occurs within a control period.** The reason for the change in the control period is to preserve affordable units in Fairfax County.

Another new provision in the amendment establishes the FCRHA's exclusive right to purchase and resell any pre-owned unit offered for resale during any price control period at up to the control price established by the ADU provisions. The amendment also allows for a 1 ½ percent marketing and transaction allowance to be included in the sales price of any unit purchased and resold by the FCRHA. This allowance will be added to your resale price but subtracted from the proceeds to be applied toward the transaction costs if the FCRHA purchases the unit.

What this means for you is that for **30 years** from the date of transfer of title to you, you must:

- Offer your unit for sale to the Fairfax County Redevelopment and Housing Authority at the controlled price. The controlled price is the price you paid for the unit originally plus an annual adjustment based on the Consumer Price Index plus certain allowable improvements. You will be required to notify the FCRHA by certified mail when you decide to sell your unit. The FCRHA will notify you in writing within 30 days after receipt of the written notification from you advising whether or not the FCRHA will enter into a contract to purchase your unit subject to certain conditions such as acceptable condition of title and acceptable physical and environmental conditions. An all cash closing shall occur within 90 days after receipt by the Housing Authority after receipt of your written notification offering the unit for sale if all conditions of the contract are satisfied. The FCRHA may either take title to the affordable dwelling unit and amend and restate the covenants consistent with the then current provisions of

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the zoning ordinance or may assign the contract of purchase to a qualified homebuyer with a condition of the assignment being that such amended and restated covenants would be recorded and effective as express terms of the deed of sale.

- If the FCRHA assigns the contract to purchase to a qualified homebuyer, for the first 60 days the ADU shall first be offered exclusively through the FCRHA to persons who meet the Redevelopment and Housing Authority's criteria and have been issued a Certificate of Qualification by the Redevelopment and Housing Authority. Upon expiration of the 60 day period, the unit may be offered at the current controlled price for sale to the general public to persons who meet program income requirements. Purchasers will be required to place amended and restated covenants on the property.
- For the initial sale of an affordable dwelling unit after the expiration of any control period, the FCRHA shall be offered the exclusive right to purchase the unit. In all instances, whether or not the RHA elects to purchase the unit, one-half of the amount of the difference between the net sales price paid by the purchaser at the sale and the owner's purchase price plus a percentage of the unit's selling price equal to the increase in the CPI plus the lesser of the current fair market value or the actual original cost of certain improvements shall be contributed to the Fairfax county Housing Trust Fund to promote affordable housing in Fairfax County as part of the disbursement of settlement proceeds.
- Under the new 30 year term of the original control period, you must occupy the home as your primary residence and annually sign an occupancy affidavit.
- Your taxes will not rise considerably during the 30 year sales price control period, since your tax assessment will be based on the controlled sales price as determined by the Ordinance.
- Subsequent owners will begin another 30 year control period upon transfer of the deed to them.

Please call me at (703) 246-5197 or Barbara Silberzahn at (703) 246-5085 if there are any questions or other concerns.

Sincerely,

Adelaide Bridges
Program Manager